NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-0600 APRIL 19, 1976
JOSEPH SULLIVAN

FORD REJECTS SHOE IMPORT CURBS

ANNCR:

PRESIDENT FORD HAS MADE AN IMPORTANT DECISION UNDER THE POWERS GIVEN HIM TO REGULATE U. S. FOREIGN TRADE.....AS WE HEAR IN THIS BACKGROUND REPORT BY VOA'S JOSEPH SULLIVAN.

VOICE:

A CABINET-LEVEL TRADE COMMISSION RECENTLY DECIDED THAT THE DOMESTIC SHOE INDUSTRY IN THE UNITED STATES WAS BEING INJURED BY IMPORTED SHOES. AND THE COMMISSION ADVISED PRESIDENT FORD TO IMPOSE HIGHER TARIFFS OR OTHER IMPORT RESTRAINTS ON SHOES MADE ABROAD. THE PRESIDENT HAS SUCH AUTHORITY UNDER A SO-CALLED "ESCAPE CLAUSE" IN THE 1974 TRADE ACT, WHICH MAKES POSSIBLE RELIEF FOR AMERICAN INDUSTRIES THAT CAN SHOW INJURY FROM IMPORTS.

BUT THE WHITE HOUSE HAS ANNOUNCED THAT THE PRESIDENT WILL TAKE NO ACTION AT THIS TIME TO CURTAIL THE IMPORTATION OF FOREIGN-MADE SHOES. MISTER FORD'S DECISION, THE WHITE HOUSE SAID, WAS BASED ON A NUMBER OF CONSIDERATIONS, INCLUDING THE LIKELIHOOD OF HIGHER PRICES FOR AMERICAN CONSUMERS IF IMPORT RESTRAINTS WERE IMPOSED. INSTEAD, THE PRESIDENT WILL ASK FOR RELIEF FOR THE FINANCIALLY-TROUBLED AMERICAN FOOTWEAR INDUSTRY IN THE FORM OF INCREASED UNEMPLOYMENT BENEFITS AND JOB TRAINING.

MORE THAN FORTY PERCENT OF ALL NON-RUBBER FOOTWEAR SOLD IN THE UNITED STATES IS NOW IMPORTED. THE LARGEST

SHARE COMES FROM ITALY, SPAIN, BRAZIL, TAIWAN AND SOUTH KOREA. THE DOMESTIC SHOE INDUSTRY IN THE UNITED STATES HAS BEEN TRYING FOR YEARS TO OBTAIN RELIEF FROM FOREIGN SHOE IMPORTS ON THE GROUND THAT THE HEAVY VOLUME OF SHOE IMPORTS HAVE FORCED MANY AMERICAN SHOE PRODUCERS TO CLOSE. SIXTY-THREE SHOE FACTORIES IN THE UNITED STATES WERE CLOSED LAST YEAR ALONE.

THE WHITE HOUSE ANNOUNCEMENT WAS MADE BY FREDERICK DENT, THE PRESIDENT'S SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS. MISTER DENT STRESSED THAT IMPORT RESTRAINTS ON FOREIGN-MADE SHOES WOULD HAVE EXPOSED AMERICAN INDUSTRIAL AND AGRICULTURAL TRADE TO COMPENSATORY IMPORT CONCESSIONS OR FOREIGN RETALIATION AGAINST UNITED STATES EXPORTS UNDER THE RULES OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE. IN ADDITION, HE SAID, THE TRADE COMMISSION'S REPORT CALLING FOR IMPORT CURBS CASTS GRAVE DOUBT ON IMPORT RELIEF AS AN EFFECTIVE REMEDY FOR THE SMALLER AMERICAN SHOE COMPANIES THAT HAVE BEEN INJURED BY IMPORT COMPETITION.

WITH ANNUAL SHOE SALES IN THE UNITED STATES RUNNING AT MORE THAN ONE THOUSAND MILLION DOLLARS IN VALUE, MISTER FORD'S DECISION TO FOREGO IMPORT RESTRAINTS IS CERTAINLY THE MOST IMPORTANT PRESIDENTIAL TRADE ACTION IN MANY YEARS. THE WHITE HOUSE ANNOUNCEMENT EMPHASIZED THAT DOMESTIC CONSIDERATIONS WERE AT THE HEART OF THE DECISION. BUT THE FACT REMAINS THAT THE DECISION AGAINST IMPORT RESTRAINTS IS ALSO IN HARMONY WITH THE ADMINISTRATION'S SUPPORT FOR THE PRINCIPLE OF UNRESTRICTED FOREIGN TRADE.

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